and human, he will have a full-fledged debate; he will call environmentalists who are deeply concerned, talk with them, and then go ahead ? You are giving the impression that the project is going to be accepted regardless of anything. I think you should clarify this point.

SHRI ARJUN CHARAN SETHI : Sir, I would like to make one correction here. The Action Plan-I for this project, will be completed by April, 2003, and Action Plan-II will be completed by July, 2003.

SHRI NILOTPAL BASU : But, unless the overall project is finalised, how can the Action Plans be finalised ?

MR. CHAIRMAN : Let him speak.

SHRI ARJUN CHARAN SETHI : Sir, let me answer the point the esteemed Member, Dr. Karan Singh has made. This particular task force has been appointed to go into the details of each and every aspect of the problem, ecological, environmental and sociological, etc. They will be going into every problem and moreover, whenever they submit the report to the Government, if possible it will be discussed on the floor of the House.

श्री नीलोत्पल बसु : सर, आपको हमें प्रोटैक्ट करना होगा क्योंकि पूरा प्रोजैक्ट अगर इनविसेज़ नहीं किया गया और उसकी वायबिलिटी अगर तय नहीं होगी तो उसके अलग-अलग सब-प्लान्स कैसे तय होंगे ? सर, ऐक्सपीरिएंस यह है कि अलग-अलग रिवर्स के जो वैली प्रोजैक्ट्स हैं जैसे दामोदर वैली प्रोजैक्ट्स इनकम्पलीट है, ब्रह्मपुत्र वैली प्रोजैक्ट इनकम्पलीट है, इससे तो पैसा फिज़ूलखर्च होता है।

श्री सभापति : पैसा खर्च होता है किन्तु अभी टास्क फोर्स की रिपोर्ट आएगी और उस पर गवर्नमेंट अध्ययन करेगी और उसके बाद ही असैसमेंट हो पाएगा।

श्री नीलोत्पल बसु : पूरी वायबिलिटी तय नहीं हुई तो 2006 तक कैसे तय हो जाएगा ?

MR. CHAIRMAN : Question No. 544.

Merger of financial institutions

*544. SHRI JANARDHANA POOJARY : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that Government are considering merger of some leading financial institutions in the country;

(b) if so, the details in this regard alongwith the financial institutions identified for the proposed merger;

(c) the scope and contours envisaged for the new entity; and

(d) the factors necessitating such a merger ?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH) : (a) No, Sir, not as at present.

(b) to (d) Do not arise.

SHRI JANARDHANA POOJARY : Sir, the hon. Minister, in his reply to the question, 'whether it is a fact that Government are considering merger of some leading financial institutions in the country', has said, 'no, not at present'. The hon. Minister of State for Finance made a clear statement at a function of Exim Bank, "A proposal to merge IDBI, IFCI and IIBI was being considered as one of the options. We have to find some way of restructuring the financial institutions." The Minister of State for Finance, Mr. Anandrao Adsul, has confirmed on Friday, that is, in the month of April only Sir. He has talked about "a merger proposal". Here, today, the hon. Finance Minister is stating that there is no such proposal. So, my submission, through you, Sir, is that there is a lot of confusion in the capital market and also in the stock market. Not only that, there is confusion in the minds of the employees also. I would like to know whether the hon. Finance Minister would look at what laudable objectives these financial institutions were set up with; and whether now the financial institutions are making profit.

SHRI JASWANT SINGH : Sir, there are three separate parts of his question. Did the Minister of State in the Ministry of Finance make some such statement ? Yes, he did, Sir. I am not denying that. His question is whether the Government has under consideration a plan for the merger. No, there is no such plan at present. He is giving voice to an expression of opinion, which he, subsequently, corrected also. That is one part.

"Development financial institutions" is an important aspect of the total development activity of the Government, of the country. The hon. Member has worked in the Ministry, has sanctioned, and he knows it very well. Because there are problems in connection with the development financial institutions, the reform of the development financial institutions has been undertaken. It is really so with IDBI, IFCI. Now, these are some of the activities. And the hon. Member also knows that the IDBI Bill is currently under consideration of the Standing Committee of the Ministry of Finance. If I were to be asked as to what are the reasons, why development financial institutions have come to the present position, of course, I can help you, but this is well enough known, we have to have a situation wherein development finances available and the development financial institutions that have run into difficulties are restored to a state of health.

SHRI JANARDHANA POOJARY : Sir, I appreciate the stand taken by the hon. Finance Minister. He is a responsible Minister and he has been doing very well. But when his Deputy is making a statement and creating a confusion in the minds of the people, it is the collective responsibility, and nobody can go on making statements, thereby affecting the financial institutions' credibility and also the credibility of the entire financial.....*(Interruptions)*...

MR. CHAIRMAN : It is over now. He has already replied to your question. That does not matter.

SHRI JANARDHANA POOJARY : Sir, may I know from the hon. Finance Minister whether it is his case that there will not be any merger ? Forget that there is a Standing Committee. So far as the IDBI is concerned, so far as the merger of other financial institutions is concerned, is it your case that there is no such proposal at all.

SHRI JASWANT SINGH : Yes, Sir. I have said so because, firstly, so far as taking care in the Ministry of Finance is concerned, to say only that which is authorised, I do take care. Sir, you might have noticed it; in fact, I hardly now meet the Press or give interviews on anything. It is simply because in this particular job it is very difficult to say something and not be misunderstood. So, I assure you I take on board what the hon. Member has said. But as far as the merger of financial institutions is concerned, if the hon. Member is asking whether there is any proposal to merge IDBI with IFCI or any of these things, there is no such proposal.

MR. CHAIRMAN : Mr. Pranab Mukherjee. ...*(Interruptions)*...

SHRI JIBON ROY : Does it mean that IDBI will be revived ?

SHRI PRANAB MUKHERJEE : Sir, the hon. Finance Minister, while replying to the supplementaries of my colleague, has pointed out that the Minister of State who made the statement has later on corrected it, and I do not know whether it is precisely because of the Government's thinking that the Finance Minister does not want to commit himself in any way, using the phrase "not at present". In view of the fact that these developmental financial institutions were established in an atmosphere and environment wherein the public sector enterprises were substantially funded from the budgetary route, and the private corporate sectors depended substantially on these developmental financial institutions. Now when these areas of demarcations are getting blurred more and more, is it not the appropriate time to have a fresh look totally, and instead of just having a piecemeal approach—for

instance, restructuring of the IDBI—I am not going into the merit of the issue right now—is under consideration as the Bill has been introduced—would the Government like to take a holistic view in regard to the major restructuring of the developmental fincancial institutions?

SHRI JASWANT SINGH : Sir, I think it is a very valid question and I take on board what the hon. Pranab Babu has said. I consider all possibilities as necessary to examine so that the synergy or merger is generated for the sake of having viable development financial institutions. Now, as at present, we have IDBI which is under consideration of the Standing Committee on Finance. But, we also have an IDBI bank. There seems to be a certain degree of misunderstanding that IDBI bank will become a retail bank. It is not going to be a retail bank. We do think in the Ministry of Finance that in reality the IDBI bank could provide the kind of nucleus to regenerate a new development financial institution. That is what we are certainly examining, and nothing more, at the present moment. But, I take on board what you say that we have to consider the release of synergy by examining the possibility. And, we will do so at the appropriate time.

SHRI ASHWANI KUMAR : Sir, would the hon. Minister of Finance be kind enough to explain, in case there is no proposal for merging two financial institutions is under consideration at the moment, how does the Government then propose to take care of the chronic sickness in premier development institutions like IFCI? Whenever the merger proposals were mooted, they were mooted fundamentally, with a view to providing resilience, and synergy, as the hon. Finance Minister himself has said. So, if merger is not under consideration now, is there any other proposal that is under consideration that would restore the financial health of these development institutions?

SHRI JASWANT SINGH : Yes, Sir, the first requirement, to my mind—and that is our priority at the moment in the Ministry of Finance—is to eliminate sickness that has really crippled the development financial institutions. In that, IDBI is one and IFCI is another. Having first brought these really now sick institutions to a level of survivable health, if I may put it that way, then only we can consider another option. If I were to merge or think in terms of bringing two sick patients together, I will only be creating the synergy of greater sickness, not of health....*(Interruptions)*.